

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF
NEVADA**

Date of filing in State Engineer's Office FEB 05 1996

Returned to applicant for correction FEB 22 1996

Corrected application filed MAR 25 1996

Map filed MAR 25 1996

The applicant Midas Joint Venture, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. Joint venture composed of Franco-Nevada Mining Corporation, Inc., (incorporated 4/13/83) and Euro-Nevada Mining Corporation, Inc., (incorporated (4/27/87) both Nevada corporations

1. The source of the proposed appropriation is underground
2. The amount of water applied for is 0.25 cfs second-feet.
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for mining, exploration, drilling, test mining
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point NW $\frac{1}{4}$ NW $\frac{1}{4}$, section 22, T39N, R46E, M.D.B.&M. (coordinates N2, 366, 800 E470, 700); the Bearing/Distance tie from the proposed water well to the Northwest Corner of Section 22 is N 66°16'52" W 1371.71 feet
6. Place of Use see Exhibit "A"
7. Use will begin about January 1 and end about December 31, of each year.
8. Description of proposed works Well with pump and flow meter (15hp-460 3 phase generator and pump; storage tank).
9. Estimated cost of works \$25,385.00: drilling, 300 ft @ \$9.95/ft., \$2985; casing, 300 ft. @ \$21/ft., \$6300; pump, \$3700; wire and pipe, \$1170; installation \$1600; pump harness \$600
10. Estimated time required to construct works 2 weeks
11. Estimated time required to complete the application of water to beneficial use 1 exploration season (1996)
12. Remarks: Use approximately 4,000 gallons per day, seven days per week. Use 10,000 gallon storage tank, gravity feed into tank trucks for distribution to drill, exploration and test mining sights

By s/M. Craig Haase
6151 Lakeside Drive, Suite 2100
Reno, Nevada 89511

61888

Compared cl/jk cl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

The total combined duty of water under Permits 60669, 62063-T and 61888 shall not exceed 9.5 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The monthly report shall include the flow measurements of any springs within one mile of the point of diversion.

(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.25 cubic feet per second, but not to exceed 4.5 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

September 15, 1997

Proof of completion of work shall be filed before:

October 15, 1997

Application of water to beneficial use shall be filed on or before:

September 15, 1998

Proof of the application of water to beneficial use shall be filed on or before:

October 15, 1998

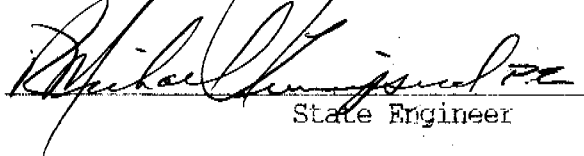
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 30th day of July, A.D. 1996


State Engineer

Completion of work filed OCT 23 1997

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

**Place of Use
(Item #6)**

The following Sections located in Township 39N, Range 46E, MDB&M:

Section 15: SW $\frac{1}{4}$ of the SW $\frac{1}{4}$
NW $\frac{1}{4}$ of the SW $\frac{1}{4}$

Section 16: SE $\frac{1}{4}$
SW $\frac{1}{4}$

Section 21: NW $\frac{1}{4}$ of the NW $\frac{1}{4}$
NE $\frac{1}{4}$ of the NW $\frac{1}{4}$
SE $\frac{1}{4}$ of the NW $\frac{1}{4}$
NE $\frac{1}{4}$
SE $\frac{1}{4}$
NE $\frac{1}{4}$ of the SW $\frac{1}{4}$
SE $\frac{1}{4}$ of the SW $\frac{1}{4}$

Section 22: NW $\frac{1}{4}$ of the NW $\frac{1}{4}$
SW $\frac{1}{4}$ of the NW $\frac{1}{4}$
SW $\frac{1}{4}$
SW $\frac{1}{4}$ of the SE $\frac{1}{4}$
SE $\frac{1}{4}$ of the SE $\frac{1}{4}$

Section 27: NE $\frac{1}{4}$
NW $\frac{1}{4}$ of the NW $\frac{1}{4}$
SW $\frac{1}{4}$ of the NW $\frac{1}{4}$
SE $\frac{1}{4}$ of the NW $\frac{1}{4}$

Section 28: NE $\frac{1}{4}$
NE $\frac{1}{4}$ of the NW $\frac{1}{4}$
SE $\frac{1}{4}$ of the NW $\frac{1}{4}$

Exhibit A